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ABSTRACT

California's Proposition 13 set a maximum property tax of one percent of appraised market value, limited assessment increases to no more than two percent of cash value each year, and required that no new taxes be imposed to make up for lost revenues without a two-thirds vote of the state legislature or a two-thirds vote of all qualified voters. Five areas of concern for two-year college administrators have resulted from this situation: (1) the impaired planning abilities of local districts due to the short-term availability of funds; (2) the loss of authority by boards of trustees and college administrations through increased shared authority with the state legislature, the board of governors, the state chancellor, and special interest groups; (3) a transition period in planning resulting in the halt of fiscal growth and the renewed consideration of imposing tuition; (4) decreased public support of community colleges resulting in less innovation and in redefinition of community services; and (5) political aspects of affirmative action programs. Others facing budget reductions and voter-imposed funding restrictions would be well-advised to invest effort in contingency planning to insure smoother transitions in the future. (MB)

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TAXPAYER INITIATIVE AND THE POLITICAL PROCESS--

The California Experience

Dr. Leslie Koltai

JC 780 531

The Taxpayer Revolt: Where Do We Go From Here?

Dallas, Texas

October 12, 1978

Remarks by
Dr. Leslie Koltai, Chancellor
Los Angeles Community College District
October 12, 1978
Dallas, Texas

TAXPAYER INITIATIVE AND THE POLITICAL PROCESS--
THE CALIFORNIA EXPERIENCE

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THANK YOU, _____

I GENERALLY AM ABLE TO RESPOND TO SUCH A NICE INTRODUCTION BY SAYING THAT I AM VERY PLEASED TO BE PRESENT FOR THIS PARTICULAR OCCASION.

TONIGHT, HOWEVER, I'D JUST AS SOON THAT PROPOSITION 13, THE INFAMOUS "TAXPAYER REVOLT INITIATIVE," HAD NOT TAKEN PLACE IN CALIFORNIA--AND HAD NOT THUS QUALIFIED ME TO SPEAK ON THE TOPIC BEFORE ME: "TAXPAYER INITIATIVE AND THE POLITICAL PROCESS--THE CALIFORNIA EXPERIENCE."

IT'S NOT THAT I DON'T BELIEVE THIS CONFERENCE ISN'T A VERY GOOD IDEA--IT'S JUST THAT I WOULD MUCH PREFER TO BE THERE IN THE AUDIENCE, LISTENING TO SOMEBODY ELSE TELL ABOUT THE EFFECTS OF TAXPAYER INITIATIVES IN THEIR STATE RATHER THAN HAVING GONE THROUGH THAT EXPERIENCE MYSELF.

PROPOSITION 13--IN CASE THERE IS ANYONE LEFT WHO HASN'T HEARD--WAS CALIFORNIA'S DRAMATIC PROPERTY TAX LIMITATION INITIATIVE THAT

MET WITH RESOUNDING SUCCESS--A TWO-TO-ONE VICTORY--ON THE JUNE BALLOT.

THE VOTER-INITIATED PROPOSITION WAS THE RESULT OF WIDESPREAD PUBLIC DISSATISFACTION WITH STEADILY RISING TAXES. IN FACT, DURING THE MONTHS THAT HOWARD JARVIS AND HIS FOLLOWERS CANVASSED THE STATE, MORE THAN 1.2 MILLION VOTERS SIGNED PETITIONS TO PUT THE ISSUE ON THE BALLOT. THIS REPRESENTED NEARLY TWO AND A HALF TIMES THE NUMBER NEEDED BY LAW TO PLACE A MEASURE BEFORE THE VOTERS--AND IT ALSO SIGNIFIED THE LARGEST NUMBER EVER TO SUPPORT A CALIFORNIA INITIATIVE.

THE MEASURE SET A MAXIMUM PROPERTY TAX OF ONE PERCENT OF APPRAISED MARKET VALUE AS DETERMINED IN THE 1975-76 FISCAL YEAR. SINCE MOST HOMES IN CALIFORNIA HAD UNDERGONE LARGE APPRAISAL HIKES IN THE SHORT TIME SINCE 1975-76, THIS REPRESENTED A DRAMATIC TAX DECREASE RIGHT THERE.

THE INITIATIVE ALSO LIMITED ASSESSMENT INCREASES TO NO MORE THAN TWO PERCENT OF CASH VALUE EACH YEAR, UNLESS THE PROPERTY UNDERGOES A CHANGE IN OWNERSHIP, AT WHICH TIME IT IS REAPPRAISED AT THE PREVAILING RATE.

AND PROPOSITION 13 ALSO REQUIRED THAT NO NEW TAXES BE IMPOSED TO MAKE UP FOR THE LOST REVENUES WITHOUT A TWO-THIRDS VOTE OF THE STATE LEGISLATURE OR A TWO-THIRDS VOTE OF ALL QUALIFIED VOTERS.

THE PROPOSITION DID NOT IMPOSE A LIMIT ON STATE GOVERNMENT EXPENDITURES, HOWEVER, NOR DID IT PROVIDE ANY OUTLINE FOR HOW THE GREATLY REDUCED PROPERTY TAX REVENUES WOULD BE DISTRIBUTED BY LOCAL DISTRICTS THAT NOW FOUND THEMSELVES IN COMPETITION FOR THE AVAILABLE FUNDS.

IN EFFECT, PROPOSITION 13 REDUCED LOCAL REVENUES BY APPROXIMATELY 7 BILLION DOLLARS--WITHOUT GIVING ANY GUIDELINES OR PROVISIONS FOR SUBSTITUTE REVENUE.

THERE WAS ANOTHER PROPOSITION BATTLING WITH THE NOTORIOUS 13 FOR VOTER APPROVAL--PROPOSITION 8, WHICH REDUCED PROPERTY TAXES BY ABOUT ONE-THIRD AND SPLIT THE TAX ROLE, THUS GIVING LOWER RATES TO HOMEOWNERS THAN TO COMMERCIAL PROPERTY OWNERS.

PROPOSITION 8 ALSO PLACED A LIMIT ON FUTURE GOVERNMENTAL EXPANSION, LINKING IT TO GENERAL ECONOMIC GROWTH RATES. THIS PROPOSITION DID NOT ACTUALLY REDUCE SPENDING, SINCE IT SUBSTITUTED STATE MONEY ALREADY IN THE COFFERS FOR THE FUNDS LOST LOCALLY.

BUT, SINCE CALIFORNIA LAW SAYS THAT A CITIZEN REFERENDUM TAKES PRECEDENCE WHEN TWO TAX MEASURES ARE ON THE SAME BALLOT, WE WERE IN A POSITION OF HOPING VOTERS WOULD BE TALKED OUT OF PROPOSITION 13 AND INTO PROPOSITION 8. SUCH WAS NOT TO BE THE CASE, AS YOU ALL WELL KNOW.

WHILE WE MIGHT HAVE HOPED THAT VOTERS WOULD FAVOR PROPOSITION 8, PUBLIC AGENCIES AND EMPLOYEES ARE RESTRICTED FROM ADVOCATING ANY POSITION ON BALLOT MEASURES **UNDER PROVISIONS** OUTLINED IN A RECENT CALIFORNIA SUPREME COURT DECISION. OUR LEGAL COUNSEL DREW UP GUIDELINES INTERPRETING THE COURT'S DECISION, WHICH WERE DISTRIBUTED TO ALL EMPLOYEES AND STUDENT NEWSPAPERS. THOSE GUIDELINES SPECIFIED THAT INFORMATIONAL MATERIALS ON THE EFFECTS OF THE PROPOSITION COULD LEGALLY BE DISSEMINATED--AS LONG AS THEY PROVIDED A "FAIR REPRESENTATION OF THE RELEVANT FACTS IN A MANNER WHICH IS OBJECTIVE, FULL, AND IMPARTIAL."

THE GUIDELINES ALSO SAID THAT THE INFORMATION DISSEMINATED COULD NOT "DIRECTLY OR INDIRECTLY ADVOCATE THE PASSAGE OR DEFEAT OF THE PROPOSITION."

WE MADE THE MOST OF OUR ABILITY TO PROVIDE INFORMATION TO THE PUBLIC -- AND MANY DISTRICT EMPLOYEES ACTIVELY CAMPAIGNED AGAINST THE MEASURE IN THEIR NON-WORKING HOURS--BUT WE WERE CAREFUL NOT TO STEP OVER THE BOUNDARIES I MENTIONED.

I BELIEVE IT IS IMPORTANT TO NOTE AT THIS POINT THAT--WHILE THE INITIATIVE SYSTEM MIGHT BE SOMEWHAT UNIQUE TO US--THE PHENOMENON WE HAVE BEEN GRAPPLING WITH IN THE GOLDEN STATE OF REDUCED RESOURCES AND A MILITANT TAXPAYING PUBLIC--IS NOT A UNIQUELY CALIFORNIA EXPERIENCE.

AND, OBVIOUSLY, SINCE THE REASON WHY WE ARE HERE AT THIS CONFERENCE IS TO PUT THE CALIFORNIA--AND NEW YORK--BUDGET REDUCTION EXPERIENCES UNDER THE MICROSCOPE FOR A CLOSER EXAMINATION, THERE IS SOME AGREEMENT THAT THE PROPOSITION 13 TAXQUAKE IS INDICATIVE OF A PREVAILING MOOD OF TAXPAYER DISCONTENT.

SOCIAL AND EDUCATIONAL ANALYSTS HAVE BEEN BUSY ANALYZING THE SHIFT IN VOTER POSITION FROM LIBERAL TO AN INCREASINGLY CONSERVATIVE STANCE. THEY SAY THIS IS A TREND THAT IS APPARENT ALL ACROSS THE COUNTRY, AND I BELIEVE IT BODES ILL FOR THOSE OF US IN PUBLIC HIGHER EDUCATION.

AS NEW YORK ECONOMICS INSTRUCTOR ROBERT LEKACHMAN WROTE IN A RECENT ISSUE OF "CHANGE" MAGAZINE, THIS COUNTRY IS WADING DEEPER AND DEEPER INTO A NEW ERA OF CONSERVATISM IN WHICH SLOW GROWTH WILL PREVAIL--PERHAPS FOR THE REMAINDER OF THIS CENTURY. THAT ATTITUDE WILL ONLY INTENSIFY, HE WRITES, AS AMERICANS ARE INCREASINGLY SQUEEZED BY INFLATION, RISING TAXES, AND A SLUGGISH ECONOMY--WITH SOCIAL AND RACIAL PROGRESS THE UNWITTING VICTIMS.

LEKACHMAN GOES ON TO WRITE THAT PROPOSITION 13 AND ITS PROGENY "OFFER A POLITICALLY ACCEPTABLE COVER FOR PENALIZATION OF THE ECONOMICALLY VULNERABLE."

THIS TIDE OF CHANGING PUBLIC POSITION HAS BEEN CAUSED BY A NUMBER OF FACTORS--WHICH I WILL DISCUSS IN A MOMENT--AND IT IS BEING MANIFESTED IN AN INCREASINGLY CLOSED FIST ON THE PUBLIC PURSESTRINGS.

A FEW YEARS AGO, A CLENCHED FIST BEGAN TO BE USED AS THE SYMBOL OF REBELLION. NOW I SUBMIT TO YOU THAT THE TIGHT FIST SYMBOLIZES THE MOOD OF TAXPAYER REBELLION--AND I DO NOT EXPECT THIS TO BE A SHORT-TERM FAD.

NO, WHAT WE'RE SEEING IS JUST THE TIP OF AN ICEBERG THAT I THINK WILL BE CONTINUING FOR THE NEXT 10 TO 20 YEARS. AND IF WE ARE GOING TO BE PREPARED TO DEAL EFFECTIVELY WITH THE CHANGES IN STORE FOR US, THEN WE WILL HAVE TO TAKE VERY GOOD ADVANTAGE OF CONFERENCES SUCH AS THIS ONE, CONFERENCES DURING WHICH WE CAN POOL OUR IDEAS, EXPERIENCES, AND PLANS. WE MUST LEARN FROM EACH OTHER NEW WAYS IN WHICH TO BECOME MORE EFFICIENT AND MORE EFFECTIVE. WE MUST ALSO MAKE THE PROGRAMS AND SERVICES WE PROVIDE MORE ATTRACTIVE TO--AND BETTER APPRECIATED BY--THE VOTERS IN OUR COMMUNITIES. WE ARE GOING TO HAVE TO SHOW THOSE VOTERS WHAT WE DO--AND DO VERY WELL.

FOR, MAKE NO MISTAKE, THE HONEYMOON IS OVER. THE VOTERS WHO GREW UP WITH GREAT RESPECT FOR HIGHER EDUCATION HAVE BECOME DISENCHANTED AND RESTIVE. THE YOUNGER VOTERS, WHO GREW UP QUESTIONING EVERY VALUE THAT WAS HANDED DOWN TO THEM, ARE DEMANDING ACCOUNTABILITY FOR EVERY PENNY SPENT. AND OUR CURRENT STUDENTS ARE MORE SKEPTICAL THAN THE STUDENTS WITH WHOM WE WORKED IN THE PAST--THE MOVE TOWARD RECOGNIZING THE STUDENT AS A CONSUMER, OF STUDENTS TAKING THEIR PROFESSORS AND THEIR COLLEGES TO COURT, OF STUDENT EVALUATION OF THEIR INSTRUCTORS--ARE JUST SOME OF THE MANIFESTATIONS OF THIS TREND.

AND THEN, TOO, THERE'S THE GROWING FEELING THAT A COLLEGE EDUCATION NO LONGER MEANS WHAT IT USED TO IN TODAY'S JOB MARKET. A RECENT CENSUS BUREAU REPORT, FOR EXAMPLE, SHOWS THAT IN 1976, A MAJORITY OF THE MEN AND WOMEN MAKING MORE THAN 20,000 DOLLARS A YEAR WERE NOT COLLEGE GRADUATES.

EVEN MORE SURPRISING IS THE FACT THAT 32 PERCENT OF THOSE MAKING MORE THAN 50,000 DOLLARS A YEAR WEREN'T COLLEGE GRADUATES.

OBVIOUSLY, THE BENEFITS OF A COLLEGE EDUCATION CANNOT ALL BE MEASURED IN DOLLARS AND CENTS. BUT THERE ARE PLENTY OF VOTERS WHO DO EVALUATE THE RESULTS OF THEIR TAX DOLLARS IN THAT WAY--AND IT'S IMPORTANT FOR US TO KEEP THAT IN MIND.

LEST WE BECOME TOO PARANOID, LET ME SAY THAT THIS RESTLESSNESS IS NOT AIMED ONLY AT PUBLIC EDUCATION IN GENERAL AND POST-SECONDARY EDUCATION IN PARTICULAR.

NO, THE ANGRY VOTERS WHO ARE CHOOSING TO CLOSE DOWN MUSEUMS AND PARKS RATHER THAN FACE TAX INCREASES ARE, REALLY, VENTING THEIR ANGER ON JUST ABOUT EVERY AREA OF GOVERNMENT.

TAXPAYERS ARE DEMONSTRATING A MARKED RESISTANCE TO DEMANDS FROM PUBLIC EMPLOYEES FOR SALARY OR BENEFIT INCREASES--IN FACT, MANY VOTERS ARE SHOWING THAT THEY WOULD RATHER ENDURE THE INCONVENIENCES OF DRAWN-OUT STRIKES BY PUBLIC EMPLOYEES RATHER THAN ACCEDE TO THEIR DEMANDS.

ALSO, LOOK AT THE LOW SUCCESS RATE WHEN MUNICIPAL AND SCHOOL BOND ISSUES COME UP FOR A VOTE NATIONWIDE. THE PUBLIC IS SAYING, LOUD AND CLEAR, "NO MORE MONEY FOR YOU."

AND, INTERESTINGLY ENOUGH, A RECENT POLL OF CALIFORNIA VOTERS CONDUCTED BY THE LOS ANGELES TIMES SHOWED THAT, EVEN AMONG THOSE WHO HAVE FACED CUTBACKS IN GOVERNMENT SERVICES AS A RESULT OF PROPOSITION 13, PUBLIC SUPPORT FOR THE MEASURE IS CONTINUING TO GROW.

ACCORDING TO THE SURVEY, MORE AND MORE PEOPLE ARE EXPERIENCING REDUCTIONS IN GOVERNMENT SERVICES, BUT MORE AND MORE "ARE LIKING PROPOSITION 13 ANYWAY."

IN FACT, 65 PERCENT OF THOSE QUESTIONED HAD A FAVORABLE IMPRESSION ABOUT THE INITIATIVE WHEN QUESTIONED IN AUGUST, COMPARED TO A 56 PERCENT FAVORABLE RESPONSE WHEN THE MEASURE WON A LANDSLIDE VICTORY IN JUNE.

ALL ACROSS THE COUNTRY, WE'RE SEEING MEASURES SPROUTING UP TO LIMIT THE SIZE AND/OR COST OF GOVERNMENT. THERE ARE THOSE DESIGNED TO RESTRICT THE GROWTH OF GOVERNMENT AGENCIES, TO KEEP THE NUMBER OF PUBLIC EMPLOYEES WITHIN A CERTAIN RATIO TO THE GENERAL CITIZENRY, AND TO PLACE RESTRICTIONS ON TAX INCREASES. THIS IS CERTAINLY NOT LIMITED TO CALIFORNIA ALONE--IN FACT, THERE ARE ABOUT 20 STATES CURRENTLY FACING SOME SORT OF VOTER-IMPOSED TAX RESTRICTION LEGISLATION.

HOWARD JARVIS AND HIS FOLLOWERS WERE NOT THE REAL REASON FOR THE CURRENT CLIMATE OF TAXPAYER REBELLION. THEY JUST HAPPENED TO BE AROUND WITH THEIR VERY APPEALING SLOGANS WHEN THE PUBLIC MOOD WAS RIPE FOR THEIR MESSAGE.

IN FACT, HOWARD JARVIS HIMSELF HAS BEEN TRYING TO DO A PIED PIPER TAXPAYER ACT IN CALIFORNIA FOR YEARS--BUT HE NEVER HAD TOO MUCH SUCCESS. AND BALLOT MEASURES VERY SIMILAR TO PROPOSITION 13 HAVE BEEN REPEATEDLY VOTED DOWN BY CALIFORNIA'S VOTERS DURING THE LAST TEN YEARS.

TRUE--IN CALIFORNIA WE HAD SEVERAL FACTORS WHICH UNDOUBTEDLY TURNED UP THE FIRE UNDER THE VOTER FRYING PAN: THERE WAS THE ACCUMULATION OF A MULTI-BILLION DOLLAR SURPLUS, WHICH ONLY SERVED TO ANGER AND FRUSTRATE THOSE WHO WERE ALREADY PAYING THE THIRD HIGHEST PER-CAPITA STATE AND LOCAL TAXES IN THE COUNTRY.

THE CALIFORNIA TAXPAYER, IN ADDITION TO PROPERTY TAXES WHICH DOUBLED AND TRIPLED IN THE PAST FEW YEARS, ALSO DIPS INTO HIS OR HER SHRINKING PAYCHECK FOR A VERY PROGRESSIVE INCOME TAX RATE AS WELL AS ONE OF THE HIGHEST SALES TAX RATES--SIX PERCENT--IN THE COUNTRY.

ALSO, THERE WAS THE STATE GOVERNMENT SPENDING RATE WHICH WAS INCREASING BY 17 PERCENT PER YEAR.

AND ADD TO THIS THE FACT THAT THE STATE LEGISLATURE DRAGGED ITS FEET FOR YEARS INSTEAD OF ENACTING A VIABLE RELIEF PLAN--FOR EITHER PROPERTY OR INCOME TAXES.

SO WHAT WE HAD WAS REALLY A PRESSURE COOKER SITUATION--GOVERNMENT EXPENDITURES INCREASING AT AN ALARMING RATE, HIGHER TAXES, THE CONSTANT SQUEEZE OF INFLATION, A BIG STATE SURPLUS GATHERING DUST, AND LITTLE SENSITIVITY AT THE STATE LEVEL.

AND THERE ARE THOSE CYNICS WHO SAY THAT THE SITUATION WASN'T HELPED ANY BY A GOVERNOR WITH HIGH POLITICAL ASPIRATIONS--A GOVERNOR WHO, THEY SAY, WANTED TO SIT ON A SWOLLEN STATE TREASURY SO HE COULD POINT TO THE SUCCESS OF HIS STRINGENT FISCAL METHODS.

THUS, WHEN HOWARD JARVIS CAME TO TOWN, PEOPLE LINED UP IN CHEERING THRONGS TO SEE THIS FOLK HERO. THEY EAGERLY PICKED UP HIS BANNER THAT PROCLAIMED, "SEND A MESSAGE TO SACRAMENTO." THE BUMPER STICKER COUNTERS--WHO CLAIM TO HAVE A FAIRLY HIGH SUCCESS RATE AT PREDICTING THE OUTCOMES OF PARTICULARLY COLORFUL BALLOT RACES, NOTED THAT THE NUMBER OF "YES ON 13" STICKERS WAS INCREASING ALMOST GEOMETRICALLY.

CONVERSATION AT JUST ABOUT EVERY DINNER PARTY OR COCKTAIL GATHERING FOCUSED IN ON THE PROPOSITION 13 DEBATE--UNTIL SOME FRIENDS DECIDED THAT THEY PROBABLY WOULDN'T BE ABLE TO REMAIN FRIENDS UNLESS THEY DECLARED A MORATORIUM ON SUCH DISCUSSIONS.

AND THE POLITICAL CANDIDATES THEMSELVES DID QUITE A TAPDANCE ABOUT THE WHOLE THING. EVEN CANDIDATES WHO WERE STRONGLY AGAINST PROPOSITION 13 FOUND IT DIFFICULT TO SPEAK OUT AGAINST THE MEASURE WHEN FACING AUDIENCES THAT WERE DETERMINED TO SEE IT AS THEIR SALVATION.

THE "YES ON 13" CAMPAIGN WAS HELPED ALONG BY ITS IMAGE OF BEING A GRASSROOTS STRUGGLE, AND THAT HOMEY APPEAL WASN'T DIMMED EVEN WHEN IT WAS REVEALED THAT FUND-RAISING WAS BEING HANDLED BY A POLITICAL CONSULTING FIRM THAT WAS POCKETING A LARGE PORTION OF THE MONEY COLLECTED,

IT DIDN'T SEEM TO MATTER THAT LABOR UNIONS, BIG BUSINESS, POLITICIANS, GROUPS SUCH AS THE LEAGUE OF WOMEN VOTERS AND COMMON CAUSE SPOKE OUT AGAINST THE PROPOSITION.

IT MIGHT HAVE MATTERED, HOWEVER, THAT POLITICAL CONSULTANTS AGAINST THE PROPOSITION HAD A DIFFICULT TIME COORDINATING A PROGRAM THAT TALKED THE VOTERS OUT OF ONE MEASURE AND INTO ANOTHER. THERE WAS PLENTY OF CONFUSION, WITH "NO ON 13" AND "YES ON 8" BANNERS POPPING UP HERE AND THERE.

WE HAD HOPES FOR A WHILE THAT WE HAD A CHANCE, THAT PROPOSITION 13 WOULD FAIL. BUT WHEN THE NEW PROPERTY TAX ASSESSMENT FIGURES WERE RELEASED SHORTLY BEFORE THE ELECTION--AND THEY TOLD OF HUGE INCREASES-- THAT JUST ABOUT SEALED OUR FATE.

IT DIDN'T HELP, EITHER, WHEN GOVERNOR BROWN DECIDED SHORTLY BEFORE THE ELECTION THAT HE HAD BETTER GET COMFORTABLE WITH THE PROPERTY TAX LIMITATION. AFTER COMING OUT LOUD AND STRONG AGAINST THE INITIATIVE FOR MONTHS, GOVERNOR BROWN NOW TOLD THE VOTERS THAT HE COULD LIVE WITH PROPOSITION 13 AND WOULD IMPLEMENT THE WILL OF THE PEOPLE.

YES, "THE WILL OF THE PEOPLE." IT IS DIFFICULT FOR ME TO RECREATE FOR YOU THE FEVER PITCH OF EMOTIONALISM THAT SWEPT ACROSS CALIFORNIA IN THE FINAL WEEKS BEFORE THE ELECTION -- AND THAT WAS THE BATTLE CRY. OUR VOTERS SAW THEMSELVES AS PARTICIPANTS IN A MODERN DAY BOSTON TEA PARTY, AND THE NEWS MEDIA NATIONWIDE RUSHED TO PORTRAY THE CALIFORNIA ELECTION IN THAT LIGHT.

I DON'T KNOW HOW MANY VOTERS WERE SWAYED BY THE GLAMOROUS PORTRAYAL THAT THE JARVIS PROPONENTS RECEIVED IN MANY NEWS MAGAZINES -- AND IT DIDN'T EVEN SEEM TO MATTER TO THOSE SAME VOTERS WHEN THOUGHT-PROVOKING ARTICLES POINTED OUT THE DISCREPANCIES AND INEQUALITIES INHERENT IN THE MEASURE.

JUST AS IT DIDN'T SEEM TO MATTER WHEN GOVERNMENT OFFICIALS AND ECONOMISTS PREDICTED MASSIVE LAYOFFS OF PUBLIC EMPLOYEES AND THREATENED SEVERE CUTBACKS IN PUBLIC SERVICES.

NOTHING SEEMED TO MATTER EXCEPT "SENDING A MESSAGE TO SACRAMENTO." AND THAT'S JUST WHAT THE VOTERS DID. BUT, IN MANY CASES, THE RETURN ADDRESS ON THAT MESSAGE WAS THE PLACE WHERE THE EFFECTS OF PROPOSITION 13 BEGAN TO BE FELT SHORTLY AFTER THE BALLOTS WERE

COUNTED.

ANOTHER FACTOR WHICH MIGHT HAVE INFLUENCED VOTERS WAS THE WIDESPREAD DISCONTENT OVER FORCED BUSING IN MANY CITIES -- WHICH MANY ERRONEOUSLY THOUGHT WOULD BE MITIGATED BY DECREASED SCHOOL BUDGETS.

ALSO SIGNIFICANT IS THE FACT THAT -- DESPITE A HIGH PROFILE CAMPAIGN WHICH STRESSED MANY OF THE CUTBACKS THAT WOULD BE IMPLEMENTED -- A LOS ANGELES TIMES POLL TAKEN SHORTLY BEFORE THE ELECTION SHOWED THAT 70 PERCENT OF THE VOTERS POLLED DID NOT BELIEVE THAT THEY WOULD EXPERIENCE CUTBACKS IN VITAL PUBLIC SERVICES AS A RESULT OF PROPOSITION 13.

AS I SAID BEFORE, THE RESULT WAS THAT PROPOSITION 13 PASSED BY A TWO-TO-ONE MARGIN. PROPOSITION 8, WHICH OFFERED A MORE MODERATE APPROACH TO PROPERTY TAX RELIEF, WAS DEFEATED 53 PERCENT TO 47 PERCENT.

AND IT'S WORTH NOTING THAT THERE WAS A RECORD TURNOUT ON ELECTION DAY, WITH A MILLION MORE BALLOTS CAST PRO AND CON ON PROPOSITION 13 THAN WERE TALLIED BY ALL THE GUBERNATORIAL CANDIDATES.

IN LOOKING BACK ON THE PRACTICAL ASPECTS OF DEALING WITH PROPOSITION 13, MY FIRST OBSERVATION IS THAT GENERAL, PRE-ELECTION KNOWLEDGE ABOUT THE MEASURE WAS TOO LITTLE AND TOO LATE.

ALTHOUGH WE DISCUSSED THE ISSUE FOR MONTHS PRIOR TO THE ELECTION AND ESTABLISHED OUR OWN CONTINGENCY PLANNING COMMITTEE,

WE FOUND THAT THERE WAS LITTLE SENSITIVITY ABOUT THE PROBLEM AT THE STATE LEVEL, PERHAPS BECAUSE IT QUICKLY BECAME EVIDENT THAT THE PASSAGE OF PROPOSITION 13 COULD DO NOTHING BUT STRENGTHEN STATE CONTROL. DUE TO THAT INACTIVITY, WHICH PERSISTED UNTIL THE LAST POSSIBLE MOMENT, WE HAD NO DEPENDABLE DATA ABOUT THE IMPACT OF THE PROPOSITION ON OUR COMMUNITY COLLEGES.

WE MADE A NUMBER OF LOCAL DECISIONS BASED UPON THE AVAILABLE DATA AND, IN RETROSPECT, IT SEEMS THAT SOME OF THOSE DECISIONS WERE THE RESULT OF INABILITY TO SECURE ACCURATE DATA. IN OTHER INSTANCES, THE ENTIRE SPECTRUM OF POLITICAL REALITY IN THE STATE CHANGED AND THUS RENDERED OUR DECISIONS UNNECESSARY OR EVEN ILL-ADVISED. I'M REFERRING, OF COURSE, TO THE STATE SURPLUS AND THE DIFFICULTY WE HAD IN OBTAINING ANY RELIABLE, STABLE ESTIMATION OF JUST HOW MUCH WAS IN THE SURPLUS.

BEFORE THE ELECTION, THE FIRST TIME I SPOKE PUBLICALLY ABOUT THE IMPLICATIONS OF THE PROPOSITION, I RELATED THAT THE STATE HAD 1.2 BILLION DOLLARS AVAILABLE IN THE SURPLUS. THAT WAS ON A MONDAY. BY THE FOLLOWING MONDAY, ANOTHER BILLION DOLLARS HAD BEEN ADDED TO OFFICIAL ESTIMATES OF THE SURPLUS. ONE WEEK LATER, WE WERE TOLD THAT THERE WAS ANOTHER BILLION AVAILABLE. BY THE TIME WE HAD TO MAKE OUR MAJOR DECISIONS, WE WERE BEING TOLD THAT THERE WAS A 7 BILLION DOLLAR SURPLUS. OF COURSE, THIS MEANT THAT WE HAD TO GENERATE THREE BUDGETS -- THE TOTAL DISASTER BUDGET, THE MEDIUM DISASTER BUDGET, AND THE MINIMUM DISASTER BUDGET.

ONE OF THE MOST DIFFICULT DECISIONS WE DEALT WITH IN THE PRE-ELECTION PERIOD WAS THE QUESTION OF WHETHER OR NOT TO ISSUE "MARCH 15TH LETTERS" TO OUR CERTIFICATED PERSONNEL. WE WERE CONCERNED THAT IF WE DID NOT ISSUE THE LETTERS, AND PROPOSITION 13 WAS IMPLEMENTED WITHOUT AN REPLACEMENT FUNDS, THEN WE'D BE LEGALLY BOUND TO KEEP ALL TEACHING PERSONNEL ON BOARD, EVEN THOUGH WE WOULDN'T HAVE THE MONEY TO PAY THEIR SALARIES OR TO RUN INSTITUTIONS IN WHICH THEY COULD TEACH.

IT WAS A TRAUMATIC ISSUE -- AND A VERY POLITICAL ONE. BUT OUR BOARD OF TRUSTEES VOTED FOUR TO THREE NOT TO ISSUE "MARCH 15TH LETTERS" -- AND THEN WENT EVEN FURTHER AND GUARANTEED TO CLASSIFIED EMPLOYEES THE SAME JOB SECURITY.

HAD WE KNOWN THAT REPLACEMENT MONEY WOULD BE AVAILABLE FROM THE SURPLUS, I DOUBT THAT WE WOULD HAVE CONSIDERED THE MATTER OF "MARCH 15TH LETTERS." BUT AT THAT TIME -- THREE MONTHS PRIOR TO THE ELECTION -- IT WAS A QUESTION WE HAD TO PONDER.

BUT PERHAPS THE MOST SIGNIFICANT FACT IS THAT OVERNIGHT WE SAW EDUCATION IN CALIFORNIA CHANGING FROM A LOCAL SYSTEM INTO A STATE SYSTEM. THIS WAS BROUGHT HOME TO ME AGAIN WHEN I RECEIVED A LETTER RECENTLY FROM THE STATE DEPARTMENT OF ADMINISTRATION IN WHICH I WAS TOLD, "DON'T WASTE TIME -- BEGIN ISSUING MARCH 15 LETTERS NOW." THE LETTER DID NOT TELL ON WHAT BASIS THAT RECOMMENDATION WAS MADE, HOWEVER.

ALSO A MATTER OF CONCERN IS THE FACT THAT MOST RECENT STUDIES HAVE BEEN DISCUSSING THE FUTURE OF CALIFORNIA COMMUNITY

COLLEGES FROM THE STANDPOINT OF STATE-WIDE SOLUTIONS, RATHER THAN ADDRESSING THE PROBLEMS WE FACE AS INDIVIDUAL DISTRICTS AND RECOGNIZING THE FACT THAT MOST OF THESE PROBLEMS COULD BEST BE ALLEVIATED AT THE LOCAL LEVEL.

IT IS APPARENT TO ALL OF US THAT SB 154--WHICH ALLOCATED THE SURPLUS--PROVIDED A ONE-YEAR BAIL-OUT. AND IT IS EQUALLY APPARENT THAT THE QUESTION OF FINANCING IS A LONG WAY FROM BEING SOLVED.

FINANCING FOR PUBLIC AGENCIES IS COMING UNDER CLOSE SCRUTINY FROM EVERY QUARTER. FOR EXAMPLE, GOVERNOR BROWN RECENTLY APPOINTED A COMMITTEE CHARGED WITH EXAMINING JUST ABOUT EVERY ASPECT OF FINANCING PUBLIC SERVICES IN CALIFORNIA.

THE PROBLEM WITH STUDIES THAT ARE SO MASSIVE AND SO RAPID IS THAT LOCAL COMMUNITIES AND LOCAL CITIZENS HAVE LITTLE OR NO INPUT--NOR DO THEY HAVE A CHANCE TO REVIEW THE ALTERNATIVES THAT ARE BEING CONSIDERED.

WE'RE GOING TO BE SEEING MORE AND MORE STATE INFLUENCE IN ALL OF OUR DECISION-MAKING PROCESSES. WE'LL INCREASINGLY BE SUBJECT TO THE ORDERS OF THE STATE, THE LEGISLATURE, THE BOARD OF GOVERNORS, AND ANY STATE TECHNICIAN WHO DECIDES TO TELL THE COMMUNITY COLLEGES WHAT TO DO.

IN SWITCHING FROM A LOCAL TO A STATE SYSTEM, WE'RE ALSO SEEING THE INCREASING INFLUENCE BEING WIELDED BY SPECIAL INTEREST

GROUPS. WE'RE GOING TO HAVE SPECIAL INTEREST MEASURES BUILT INTO LEGISLATION WITHOUT ANY LOCAL INPUT OR LOCAL PRIORITIES BEING TAKEN INTO CONSIDERATION.

I'LL GIVE YOU ANOTHER EXAMPLE OF THE SWITCH TO A STATE SYSTEM--SOMETHING WITH WHICH I DISAGREE BECAUSE I BELIEVE IT WILL SERIOUSLY AFFECT THE QUALITY OF PUBLIC SERVICE IN OUR STATE--AND THAT IS THE DECISION BY THE GOVERNOR AND THE LEGISLATURE TO CUT OUT THE COST-OF-LIVING INCREASE FOR STATE EMPLOYEES.

AND THE STATE THEN WROTE A PROVISION INTO ITS "BAIL-OUT" LEGISLATION WHICH DECLARED THAT PUBLIC AGENCIES WHICH GRANT COST-OF-LIVING INCREASES WOULD BE PROHIBITED FROM RECEIVING FINANCIAL RELIEF FROM THE STATE SURPLUS. THIS PROVISION, OF COURSE, FORCED LOCAL DISTRICTS TO VIOLATE THEIR COLLECTIVE BARGAINING AGREEMENTS IN ORDER TO RECEIVE THE SURPLUS MONEY THAT WAS VITAL TO CONTINUED OPERATIONS.

BUT ASIDE FROM ITS LEGAL ASPECTS--WHICH ARE CONTINUING TO BE A FOCUS FOR COURT ACTION--THIS STATE DEMAND TOOK AWAY WHAT IS PROBABLY ONE OF THE MOST FUNDAMENTAL RIGHTS OF AUTONOMY--THE ABILITY TO DETERMINE THE RATE OF COMPENSATION FOR ONE'S EMPLOYEES.

AND THEN THERE IS THE WHOLE OTHER AREA OF CONCERN OF A DOLLARS AND SENSE NATURE, BECAUSE ONCE THE COST-OF-LIVING INCREASE IS HELD BACK, IT TAKES YEARS TO CATCH UP WITH ECONOMIC REALITY

AGAIN. AND, AS LIVING EXPENSES INCREASE WITHOUT COMPARABLE INCREASES IN PAY, YOU WILL SEE LESS INTEREST IN PERFORMING A TOP NOTCH JOB, WHICH WILL MEAN A DETERIORATION OF PUBLIC SERVICE IN CALIFORNIA.

AND, REFERRING BACK TO THE ISSUE OF COLLECTIVE BARGAINING, I BELIEVE PROPOSITION 13'S IMPACT WILL CONTINUE TO BE FELT, SINCE IT WILL BECOME INCREASINGLY DIFFICULT FOR BARGAINING AGENTS TO NEGOTIATE INCREASES IN SALARIES AND BENEFITS WHEN THERE ISN'T ENOUGH MONEY TO GO AROUND.

AND IT IS ALSO EXTREMELY DIFFICULT TO BE INVOLVED IN SUCCESSFUL COLLECTIVE BARGAINING NEGOTIATIONS WHEN THE GOVERNOR AND THE STATE LEGISLATURE ARE INVISIBLE PARTICIPANTS AT THE BARGAINING TABLE. IN THE FUTURE, MANAGEMENT'S PROPOSALS FOR WAGES AND BENEFITS WILL BE DETERMINED, NOT SO MUCH BY WHAT WE WANT TO OFFER, BUT BY WHAT THE STATE WILL ALLOW US TO PRESENT.

I SEE FIVE AREAS OF CONCERN AS WE IN CALIFORNIA PREPARE FOR THE FUTURE:

THE FIRST CONCERN CAN BE SUMMED UP IN ONE VERY BRIEF PHRASE--MONEY FOR TODAY, BUT NOT FOR TOMORROW. OBVIOUSLY, THE FINANCIAL ARRANGEMENT FOR CALIFORNIA COMMUNITY COLLEGES IS IN UPHEAVAL. IN MY OPINION, WE'LL BE SEEING A SECOND ONE-YEAR BAIL-OUT FROM THE STATE WHICH, IN TURN, MEANS ADDITIONAL STIPULATIONS SET DOWN BY

THE STATE WITHOUT APPROPRIATE ANSWERS FOR HOW TO DEAL WITH THOSE STIPULATIONS.

WE WILL SEE AN ATTEMPT BY THE STATE AGENCIES, AS I INDICATED BEFORE, TO INFLUENCE GOVERNANCE, PROGRAMS, FINANCE, AND MISSION. AND THE FACT THAT MONEY WILL BE AVAILABLE FOR TODAY AND NOT FOR TOMORROW WILL HINDER OUR PLANNING ABILITY, AS THE LIFELINE FOR VARIOUS PROGRAMS REMAINS IN DOUBT.

THE SECOND AREA OF CONCERN I'D LIKE TO POINT OUT ABOUT OUR FUTURE IS THAT WE'LL BE SEEING SHARED AUTHORITY, WITH NEW FORCES AFFECTING OUR DECISION-MAKING. THERE ARE TWO FACETS OF CALIFORNIA'S COMMUNITY COLLEGE DISTRICTS THAT WILL BE LOSING AUTHORITY IN THE MONTHS AHEAD--THE BOARDS OF TRUSTEES AND THE ADMINISTRATION. WHO WILL BE GAINING AUTHORITY? THE STATE LEGISLATURE, THE BOARD OF GOVERNORS, THE STATE CHANCELLOR, AND SPECIAL INTEREST GROUPS.

THE THIRD CONSIDERATION IS THAT WE'RE LOOKING AT A TWO-YEAR TRANSITION PERIOD IN PLANNING.

DURING THAT INTERIM PERIOD WE WILL HAVE TO DEAL WITH THE MATTER OF A CHANGE OR REDEFINITION OF OUR BASIC MISSIONS.

THE TRANSITION PERIOD WILL ALSO MEAN A TEMPORARY HALT IN FISCAL GROWTH. THERE IS STILL A STATE SURPLUS--ALTHOUGH NONE OF US CAN REALLY BE CERTAIN ABOUT HOW MUCH MONEY IS IN THAT SURPLUS--

AND YOU CAN BE SURE THAT EVERY POLITICIAN IN SACRAMENTO HAS SOME IDEAS ABOUT HOW AND WHERE THAT MONEY SHOULD BE SPENT. BUT I BELIEVE THAT, INCREASINGLY, WE'RE GOING TO SEE THE ATTITUDE THAT THE RESOURCES SHOULD NOT YET BE COMMITTED TO ANY SPECIFIC PROGRAM BECAUSE ON-GOING CRISES LIE AHEAD.

ALSO TO BE CONSIDERED IN A DISCUSSION OF THE TRANSITION PERIOD--AND THIS IS RECEIVING A LOT OF ATTENTION AT THE STATE LEVEL ALTHOUGH I DO NOT NECESSARILY BELIEVE IT IS THE WAY TO GO--IS THE END OF TUITION-FREE POST-SECONDARY EDUCATION IN CALIFORNIA. IN MY MIND, THERE IS A CONFLICT BETWEEN THE TECHNICIANS--SUCH AS IN THE DEPARTMENT OF FINANCE--AND THE POLITICIANS. WHEN THE CHIPS ARE DOWN, IN MY OPINION, POLITICIANS WILL VOTE AGAINST TUITION AND THE TECHNICIANS WILL GO FOR IT. UNFORTUNATELY, HISTORY HAS SHOWN THAT IN THE LONG RUN THE DEPARTMENT OF FINANCE IS USUALLY STRONGER. THE PUBLIC MOOD WILL, I BELIEVE, LEAD US TO TUITION SOONER OR LATER.

OUR OWN LACCD BOARD PRESIDENT, WALLACE ALBERTSON, RECENTLY INTRODUCED A RESOLUTION BEFORE THE COMMUNITY COLLEGE URBAN DISTRICT ASSOCIATION OPPOSING THE CONSIDERATION OF TUITION IN CALIFORNIA COMMUNITY COLLEGES, AND THAT RESOLUTION WAS UNANIMOUSLY APPROVED.

AND NOW I COME TO THE FOURTH AREA OF CONCERN, WHICH I ALREADY MENTIONED, AND THAT IS DECREASED PUBLIC SUPPORT FOR COMMUNITY COLLEGES.

HOW WILL THAT AFFECT OUR PLANNING? IN MY OPINION, THE PUBLIC WANTS--OR IS ONLY WILLING TO FUND--MORE TRADITIONAL PROGRAMS AND LESS INNOVATION. INTERESTINGLY ENOUGH, THIS ATTITUDE IS APPARENT EVEN WITHIN OUR OWN PROFESSIONAL FAMILY. FACULTY AND STAFF ARE HOLDING ONTO THE MORE TRADITIONAL PROGRAMS AND LETTING THE MORE INNOVATIVE PROGRAMS FALL BY THE WAYSIDE.

ANOTHER VERY UNFORTUNATE ASPECT OF THIS DECLINE IN PUBLIC SUPPORT INVOLVES A TOTAL REDEFINITION OF--AND DECREASES IN--COMMUNITY SERVICES. OUR DISTRICT--AND OTHERS IN THE STATE--HAVE TRADITIONALLY OFFERED A WIDE VARIETY OF SERVICES TO OUR COMMUNITIES--BECAUSE WE HAD SUFFICIENT FUNDS TO DO SO. BUT WE DO NOT HAVE ENOUGH MONEY ANYMORE, AND THAT'S WHY I BELIEVE THAT THE FUNCTION OF CALIFORNIA'S COMMUNITY COLLEGES SHOULD FOCUS IN ON TEACHING AND SERVICE. I WOULD LIKE TO SEE THE ENTIRE COLLEGE COMMUNITY INVOLVED IN THOSE TWO ASPECTS--TEACHING AND SERVICE--AND NOT HAVE THOSE FUNCTIONS RESTRICTED TO CERTAIN PORTIONS OF THE PERSONNEL, CERTAIN PORTIONS OF THE BUDGET.

THE FIFTH AREA OF CONCERN--AND ANOTHER POLITICAL ASPECT--IS THE FACT THAT I BELIEVE WE WILL HAVE TO BE PREPARED FOR CONFLICTS WITH CONCEPTS OF AFFIRMATIVE ACTION AS THEY RELATE TO STUDENTS AND STAFF. I'VE ALREADY HEARD COMMENTS THAT PROPOSITION 13 WILL INFLUENCE AFFIRMATIVE ACTIONS. IN MY OPINION, WE ARE FACING

A PERIOD DURING WHICH UPWARD JOB MOBILITY WILL BE LIMITED DUE TO FINANCIAL RESTRAINTS AND, CONSEQUENTLY, LACK OF POSITIONS.

AS LEKACHMAN POINTED OUT IN HIS "CHANGE" ARTICLE, "THE BEST OF AFFIRMATIVE ACTION HIRING SCHEMES IS WORTHLESS IF NOBODY IS GETTING HIRED."

IT WILL REQUIRE A SUSTAINED COMMITMENT TO MAXIMIZE THE OPPORTUNITIES THAT DO EXIST AND TO DEVELOP APPROPRIATE PLANS OF ACTION TO DEAL WITH THIS PROBLEM.

I HAVE DISCUSSED POLITICAL CONSIDERATIONS OF THIS ERA AS THEY PERTAIN TO SEVERAL ENTITIES--THE STATE, THE VOTERS, COLLECTIVE BARGAINING, AND SO ON. NOW I'D LIKE TO ZERO IN ON ANOTHER ASPECT WHICH ALSO HAS ITS POLITICAL CONSIDERATIONS--AND THAT IS THE BOARD OF TRUSTEES.

IN OUR DISTRICT, WE HAVE TRADITIONALLY HAD QUITE A POLITICAL BOARD--IN FACT, GOVERNOR BROWN GOT HIS START IN POLITICS AS A MEMBER OF OUR BOARD, AS DID QUITE A FEW OTHER STATE AND LOCAL OFFICE HOLDERS.

FOR THOSE INSTITUTIONS WHICH MIGHT BE FACING SEVERE BUDGET REDUCTIONS IN THE FUTURE, I BELIEVE IT IS IMPORTANT TO AT LEAST POINT OUT THAT YOUR BOARDS OF TRUSTEES WILL BE DEALING WITH MANY IMPORTANT AND DECISIVE ISSUES--AND THAT PUBLIC PRESSURE WILL BE BROUGHT TO BEAR ON THOSE TRUSTEES SINCE THEY ARE OFTEN THE MOST VISIBLE SYMBOLS OF YOUR COLLEGES.

ALSO IMPORTANT, IF YOUR INSTITUTION IS UNDER A COLLECTIVE BARGAINING AGREEMENT, IS THE POLITICAL PRESSURE WHICH CAN BE BROUGHT TO BEAR BY THE UNION'S EXCLUSIVE REPRESENTATIVE. IN OUR DISTRICT, WE HAD MANY MEETINGS IN ORDER TO DISCUSS PRIORITIES, AS WELL AS TO ENCOURAGE UNITY IN DEALING WITH THE MANY NEW SIDE EFFECTS OF THE PROPOSITION, WHICH WE HAVE BEEN DISCOVERING ALMOST DAILY.

LEST I GIVE THE IMPRESSION THAT COMMUNITY COLLEGES ARE HELPLESS PAWNS IN THE BUDGET REDUCTION PHENOMENON, LET ME ASSURE YOU THAT THERE ARE MANY COURSES OF ACTION OPEN TO US IN THE POLITICAL SPHERE--COURSES WE IN THE LOS ANGELES COMMUNITY COLLEGE DISTRICT ARE ACTIVELY PURSUING.

FIRST, WE HAVE BEGUN A PROGRAM OF WORKING ACTIVELY WITH MEMBERS OF THE STATE LEGISLATURE IN ORDER TO MAKE CERTAIN THEY ARE AWARE OF THE UNIQUE FUNCTION SERVED BY CALIFORNIA'S TUITION-FREE COMMUNITY COLLEGES. WE ARE COMMUNICATING CONSTANTLY WITH OUR LEGISLATIVE ADVOCATE IN THE STATE CAPITOL AND WE HAVE MADE OURSELVES AVAILABLE FOR FREQUENT CONFERENCES WITH CALIFORNIA'S LAWMAKERS.

ALSO, WE ARE TAKING AN ACTIVE ROLE IN WORKING WITH THE STATE CHANCELLOR'S OFFICE, PARTICIPATING IN THE MANY AND VARIED FUNCTIONS THAT ARE TAKING PLACE THERE. AND WE ARE CONTINUING TO WORK WITHIN OUR STATE ORGANIZATIONS, WHICH HAVE TRADITIONALLY BEEN DOMINATED BY RURAL, SINGLE-CAMPUS DISTRICTS.

PERHAPS MOST IMPORTANT IS THE FACT THAT WE ARE WEIGHING EACH DECISION WE MUST MAKE VIS-A-VIS THE STATE WITH UTMOST CARE, BALANCING LOSS OF CONTROL AGAINST THE POSSIBLE BENEFITS THAT MIGHT BE AVAILABLE, IN ORDER TO CHOOSE THE BEST LONG-TERM ROUTE.

MOST MEMBERS OF OUR BOARD OF TRUSTEES ARE AWARE THAT THEY COULD BE PRESIDING OVER THEIR OWN DEMISE, SINCE THE BOARD'S AUTHORITY COULD BE EATEN AWAY BY THE STATE IN SMALL BITES THAT, AT THE TIME, SEEM LIKE THE LESSER OF TWO EVILS. WE WILL HAVE TO BALANCE OUR AUTONOMY CAREFULLY AGAINST THE CARROTS OF FUTURE FUNDING.

IT WAS ALFRED NORTH WHITEHEAD WHO SAID THAT THE ART OF PROGRESS IS TO PRESERVE ORDER AMID CHANGE AND TO PRESERVE CHANGE AMID ORDER. IN THE TRANSITION PERIOD AHEAD, THAT IS THE CHALLENGE WE IN CALIFORNIA WILL BE FACING -- PRESERVING ORDER AMID THE CHANGES PROPOSITION 13 IS BRINGING ABOUT.

IT IS A CHALLENGE THAT WILL REQUIRE OUR BEST AND MOST SUSTAINED EFFORTS, AND IT IS ONE TO WHICH I AM CERTAIN WE ARE EQUAL.

BUT FOR THOSE OF YOU WHO ARE STILL TO COME UP AGAINST THE FORMIDABLE CHALLENGE OF SEVERE BUDGET REDUCTIONS AND VOTER-IMPOSED FUNDING RESTRICTIONS, MY BEST ADVICE IS TO TRY TO LEARN FROM OUR EXPERIENCES IN CALIFORNIA--AND START GETTING READY NOW! EVERY MOMENT YOU INVEST IN CONTINGENCY PLANNING EFFORTS NOW WILL PAY OFF LATER IN A SMOOTHER TRANSITION AND A MORE ORDERED APPROACH TO THE DISORDER YOU WILL FIND ALL AROUND YOU.

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